DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

SCOTT WOODBURY

STEPHANIE MILLER

DAVE SCHUNKE

RANDY LOBB

TERRI CARLOCK

MADONNA FAUNCE

DAVID SCOTT

WORKING FILE

FROM:SUSAN HAMLIN

RICK STERLING

DATE:JULY 14, 1997

RE:CASE NO.  UWI-W-97-4

IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR APPROVAL OF A SPECIAL CONTRACT FOR WHOLESALE SUPPLY OF WATER TO THE CITY OF EAGLE

On July 11, 1997, United Water and the city of Eagle filed a Joint Application for approval of a special contract for wholesale supply of water to the city of Eagle.  The Joint Application for approval of the attached agreement to provide supplemental water for fire flows provides for wholesale purchase of the water by the City from United Water at United Water’s current Schedule No. 1 general meter service rates.  The parties have reached an agreement for water supplies effective August 1, 1997.

The City and United Water request that the Commission allow the agreement for supplemental fire flow to become effective on an interim basis pending final approval, with interim approval effective August 1, 1997, the date on which the City expects to require water for service to its customers.  The City and United Water also request pursuant to Commission Rules of Procedure that this agreement be processed by Modified Procedure.  The City and United Water submit that approval of this agreement is in the public interest and the rates and charges set forth in the agreement are fair, just and reasonable.

The attorney for the city of Eagle has indicated that Eagle Water has been served with a copy of this agreement.

Staff’s Recommendation

The City and United Water have requested interim approval for fire flow protection.  As the City expands additional fire flow protection will be required. Staff has not had time to review the contract thoroughly at this time.  Staff has initial concerns with the rates to be charged, but does not oppose the interim approval of this agreement for fire flow protection. Staff’s consent to recommend interim approval for fire flow protection is predicated on the condition that the city of Eagle and United Water do not claim that the Commission’s interim approval of the contract constitutes final approval of the contract.   It should be clear to the parties that granting interim approval does not mean that the Commission will approve the contract.  Staff believes that customers will not be harmed by granting interim approval for fire flow protection.  Staff further recommends that the Application be processed under Modified Procedure  in order to more fully consider terms of the proposed agreement, the proposed rates, and the long-term effect on other ratepayers.

Commission Decision

Does the Commission wish to grant interim approval of the agreement for supplemental fire flows on an interim basis pending final approval of the contract?  Further, does the Commission wish to process the Application by Modified Procedure to more fully consider terms of the proposed agreement, the proposed rates and long-term effect on other ratepayers?

Susan Hamlin

Rick Sterling

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